



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

July 11, 2011

*Via Hand Delivery*

The Honorable Senator Amy T. Koch  
Majority Leader, Minnesota Senate  
Capitol Building, Room 208  
75 Rev. Dr. Martin Luther King, Jr. Blvd.  
St. Paul, Minnesota 55155

The Honorable Kurt Zellers  
Speaker of the House  
463 State Office Building  
100 Rev. Dr. Martin Luther King, Jr. Blvd.  
St. Paul, Minnesota 55155

Dear Senator Koch and Speaker Zellers:

Last week I offered you two proposals to resolve our budget differences and end the state government shutdown. A group of prominent business leaders and former public officials made a separate proposal.

While you publicly rejected all three proposals, you made no counter-offer of your own. Do you have an alternative compromise proposal that we can discuss to solve our remaining \$1.4 billion gap without further devastating cuts to essential services?

The search for "Non-Tax Revenue" has proved of limited value. My compromise offers have included Tax Revenues: raising the income tax on the wealthiest Minnesotans, which I like, and raising the cigarette tax, which I don't like. I remain open to discussing those options with you.

I am also willing to discuss other forms of Tax Revenue, which have been mentioned by various groups or individuals, including some members of your own Party. They include:

- Reduction or elimination of other tax expenditures;
- Sales tax reform that broadens the base and lowers the rate;
- Taxes or fees on alcohol;
- Taxes or fees on both cigarettes and tobacco.

While I personally do not favor all of these options, I am even more unwilling to accept an additional \$1.4 billion in cuts to services upon which Minnesotans depend. Therefore, I offer them for your consideration in my continuing effort to find a mutually acceptable compromise. I would be glad to meet with you at any time regarding these or any other possibilities.

Sincerely,

A handwritten signature in black ink that reads "Mark Dayton".

Mark Dayton  
Governor